



September 6, 2012

**Evergreen Park Federation of Teachers Local 943
Southwest Suburban Federation of Teachers AFT, AFL-CIO**

Status of Offer Presented to the Board of Education on August 30, 2012

The teachers and support staff who work in Evergreen Park School District 124 have made a contract proposal that keeps the district competitive while not endangering the district's large financial surplus. The bargaining unit is comprised of 204 teachers, social workers, speech/language pathologists, certified school nurses, school secretaries, instructional aides, media aides, health aides and the Central Junior High office clerk.

The union has proposed to keep the structure of the contract the same because we strongly believe that the drastic salary schedule changes and drastic decrease in other benefits proposed by the Board of Education (BOE) will harm the district's ability to attract and retain good teachers. These changes are the equivalent of a career long pay cut. That proposal would be an incentive for our younger teachers to look for new jobs somewhere else. The district cannot afford to lose quality teachers.

The district had a fund balance of over \$16.2 million at the end of the last school year. This audited figure was filed with the Illinois State Board of Education (ISBE). The ISBE recommends that school districts keep a 25% fund balance. Evergreen Park has over 3 times that amount.

The district tends to predict budget shortfalls that never happen. In each of the past 5 years, the district has ended the year with an average fund balance that is \$1,000,000 higher than they budgeted for. Based on this consistent pattern of inaccurate budgets, there is no reason to believe the current budget forecast will be accurate.

The district managed to put more funds into savings even during some of the toughest economic times. The economy is now better than previous years and the district will also receive more tax revenue when two new large retail chains open in the near future. The financial future is bright. The union's proposal set forth does not necessitate the BOE spend down the fund balance nor commit to deficit spending.

The union and board have reached a tentative agreement on all non-economic items brought forth during negotiations. The following items are still pending:

1. Insurance:

The union has proposed to maintain the current structure of the insurance plan and benefits that are outlined in the expired collective bargaining agreement (CBA), except for the following:

For the ~~2011-2012~~ **2012-2013, 2013-2014 and 2014-2015** school year of this Agreement, the Board shall implement a health reimbursement account in the following amounts for employees who elect coverage under **any one of** the District's PPO **or HMO medical** plans:

Coverage	Benefit	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Single	\$150.00	<u>\$150.00</u>	<u>\$200.00</u>	<u>\$250.00</u>
Single + 1	\$300.00	<u>\$300.00</u>	<u>\$350.00</u>	<u>\$400.00</u>
Family	\$300.00	<u>\$300.00</u>	<u>\$350.00</u>	<u>\$400.00</u>

Rationale: The bargaining unit members that currently elect an HMO plan do not receive any HRA benefit. The union seeks to provide this benefit to all members who participate in a medical plan. The previous CBA held the HRA benefit at the same level throughout the term of the agreement. The union seeks a slight increase to the benefit to align with increased out-of-pocket expenses the participating members incur each year. The BOE is proposing to offer an HSA plan that will provide for a savings to the BOE of at least \$620 - \$1,483 for every member who elects to switch participation from a PPO plan to the HSA plan.

Cost: The union's proposal does not contain any other increased costs to insurance contributions from the BOE outside of what is outlined below:

2012/2013	9 members who participate in HMO Single = \$1,350 20 members who participate in HMO Single +1 and Family = \$6,000 No increase for members who participate in any PPO plan
2013/2014	145 participating members in all medical plans \$50 increase from 2012/2013 = \$7,250
2014/2015	145 participating members in all medical plans \$50 increase from 2012/2013 = \$7,250
Total cost for three years of proposed CBA =\$21,850	

2. Retirement:

The union and board have in both proposals included raising the eligibility age for retirement benefits from 15 years of service in the district to 20 years of service in the district for both certified and non-certified employees. This will provide for a cost savings disallowing some members to be eligible due to not meeting the service years requirement.

The following are further concessions in the retirement language within the CBA that the union has proposed:

Certified Staff:

1. Salary increases are capped at 6% for the last three years of employment as opposed to the last four years of employment.
2. Severance payment of three hundred fifty dollars (\$350.00) for each year of service in the district up to 35 years of service paid into a 403B account instead of a severance of twenty percent of the teacher's last year's base salary.
3. Health insurance premium for coverage in the TRS group health plan for a maximum of eight years or until eligible for Medicare benefits or age 65, whichever occurs first. An employee may opt for a cash payment in lieu of Board contribution towards the cost of individual health insurance coverage in the TRS group health plan calculated at \$3,000 per year up to eight (8) years or until eligible for Medicare benefits, or if not eligible for Medicare, at age 65, whichever occurs first.

Non-Certified Staff:

1. Severance paid into a 403B account.
2. An employee may opt for a cash payment in lieu of Board contribution towards the cost of individual health insurance coverage calculated at \$3,000 per year up to five (5) years or until eligible for Medicare benefits, or if not eligible for Medicare, at age 65, whichever occurs first.

Rationale: The union has conceded to the BOE's desire as they expressed at the bargaining table to reduce the amount of money targeted on retiree benefits to allow for more monies to be directed to the salary and benefits of active employees. Thus, the union proposed to reduce the retirement benefits from the expired CBA.

Cost: The union's proposal does not contain any additional costs to the BOE. In fact, it incorporates multiple concessions that will provide savings to the district for each future eligible employee. Cost savings will vary for each eligible employee.

3. Compensation:

The union proposes a three year successor agreement. The following is proposed related to compensation:

Certified Staff:

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| 2012/2013 | Increase existing salary structure by the "Consumer Price Index (CPI-U) for Urban Consumers" for calendar year 2011, as published by the United States Department of Labor and used for PTELL purposes, plus (0.35%). |
| 2013/2014 | Increase existing salary structure by the "Consumer Price Index (CPI-U) for Urban Consumers" for calendar year 2012, as published by the United States Department of Labor and used for PTELL purposes, plus two percent (2%). However, the minimum percent increase to the salary structure shall be three percent (3%), and the maximum percent increase to the salary structure shall be no greater than three and one half percent (3.5%). |
| 2014/2015 | Increase existing salary structure by the "Consumer Price Index (CPI-U) for Urban Consumers" for calendar year 2013, as published by the United States Department of Labor and used for PTELL purposes, plus two percent (2%). However, the minimum percent increase to the salary structure shall be three and one quarter percent (3.25%), and the maximum percent increase to the salary structure shall be no greater than three and three quarters percent (3.75%). |

Rationale: The union contends that the compensation proposal will achieve the goal of attracting and retaining quality teachers while not extending the BOE to spend beyond the means of the District's revenues and available funds.

Cost:

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| 2012/2013 | \$187,226.35 equates to increased cost on 2011/2012 salary schedule |
| 2013/2014 | if minimum percent is 3% \$226,309.56 equates to increased cost on 2012/2013 salary schedule
if maximum percent is 3.5% \$264,027.83 equates to increased cost on 2012/2013 salary schedule |
| 2014/2015 | if 3% was calculated for 2013/2014 and new percent is 3.25% \$252,523.76 equates to increased cost on 2013/2014 salary schedule
if 3% was calculated for 2013/2014 and new percent is 3.75% \$291,373.56 equates to increased cost on 2013/2014 salary schedule
if 3.5% was calculated for 2013/2014 and new percent is 3.25% \$253,749.60 equates to increased cost on 2013/2014 salary schedule
if 3.5% was calculated for 2013/2014 and new percent is 3.75% \$292,788.00 equates to increased cost on 2013/2014 salary schedule |

Support Staff (Non-Certified):

2012/2013 \$1.00 added to each step of salary schedule

2013/2014 \$1.00 added to each step of salary schedule

2014/2015 \$1.00 added to each step of salary schedule

Rationale: The union proposes the above increase to attract and retain quality non-certified support personnel. According to the South Suburban School Business Officials Salary Study 2011/2012, on average the non-certified positions hourly wage is approximately \$17.00 an hour. A non-certified employee in Evergreen Park in the school secretary category has to work at least 9 years to earn that competitive hourly wage and work at least 20 years in Evergreen Park 124 in any of the other job categories to earn that average hourly wage.

Cost:

2012/2013 \$79,329.91 equates to increased cost on 2011/2012 salary schedule

2013/2014 \$97,172.36 equates to increased cost on 2012/2013 salary schedule

2014/2015 \$90,031.01 equates to increased cost on 2013/2014 salary schedule

Extra Duty Schedule and SWIC Stipend Schedule:

The union proposes the following amounts to be added in each year of the three year CBA to the extra duty and SWIC schedules:

<u>Amount of Stipend</u>	<u>Increase</u>
\$0-\$99	\$1.00
\$100-\$999	\$50
\$1,000-\$1,999	\$75
\$2,000-\$2,999	\$100
\$3,000-\$3999	\$125
\$4,000 +	\$150

Rationale: The above stipends have had minimal increases in the previous CBA. The compensation for the duties in which the stipends are attached should be competitive with those stipends in comparable districts.

Cost: The total increased cost for the extra duties and SWIC stipends is approximately \$13,650. This amount does not include the stipend amounts between \$0 and \$99 since those amounts are for hourly activities that vary each year. An exact cost cannot be calculated due to the fact the extra duties offered, especially those at an hourly rate, are at the discretion of the administration and BOE.